





Congress: Less Liberal Than Dukakis

By Helen Dewar  
Washington Post Service

WASHINGTON — True to its promise two years ago, the 100th Congress has established itself as a Democratic government-in-waiting — a showcase of what could be done if Democrats were in control at both ends of Pennsylvania Avenue.

And some causes high on the Democratic agenda, such as arms control, are often easier to pursue as bipartisan initiatives championed by a Republican president. The relatively smooth sailing for the intermeddled-range nuclear forces treaty, approved earlier this year by a huge vote in the Senate, was a case in point. Many Democrats were hoping President Ronald Reagan could negotiate a broader strategic arms reduction agreement before leaving office, give it the same conservative imprimatur.

But, in some important respects, it is not the same government that is espoused by the Democratic presidential nominee, Governor Michael S. Dukakis of Massachusetts, or his running mate, Senator Lloyd Bentsen of Texas.

On the domestic front, Congress has balked at some of the more far-reaching gun controls that Mr. Dukakis has advocated and may be on the verge of imposing the death penalty, which Mr. Dukakis opposes, for drug-related killings. It continued to block Medicaid funding of abortions for poor women, which Mr. Dukakis favors, and recently shelved a proposal to subsidize long-term home care for the elderly and disabled, another program Mr. Dukakis favors.



Governor Michael S. Dukakis, right, with Lane Kirkland, the head of the AFL-CIO, during a Labor Day rally in Detroit.

AMERICAN TOPICS

TV Says One for the Road Should Be 'Designated Driver'

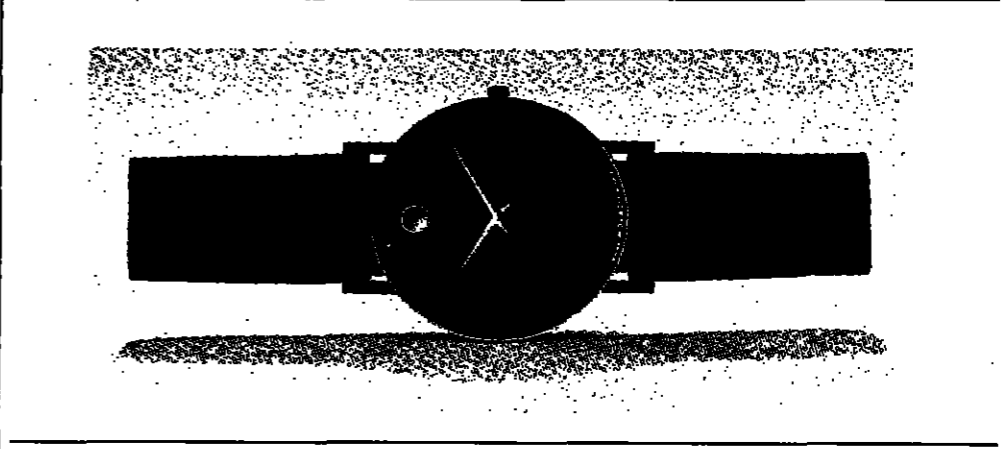
The three major U.S. television networks and the Hollywood studios that create most of their programs are coordinating an attack against drinking and driving that will include not only commercial-style messages but dialogue in dramas and comedies. They will encourage the use of "designated drivers" — people who agree not to drink during a get-together and to take responsibility for driving home friends who have been drinking.

Short Takes

Scott Wolf, a political consultant who is running for Congress in the Rhode Island Democratic primary, does not mind mentioning the name of his incumbent opponent, Fernand J. St Germain. Mr. St Germain has been in office 28 years; his name is familiar to the voters and it often arouses interest where Mr. Wolf's own name doesn't.

What's in a Name?

The British publisher of former President Richard Nixon's book, "1999," is Sidgwick & Jackson Ltd., whose telegraphic address is Watergate, London. The Los Angeles man on trial for allegedly assaulting a stewardess when told he could not smoke on a cross-country flight is James Tabacca, 34.



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The Shouting in Mexico

Mexico is now engaged in that most difficult of political feats, the transition from an authoritarian system to open democracy.

been challenging. They have been opening the country to world trade and diminishing the protection to which the Mexican economy is accustomed.

Fuzzy Talk on the Deficit

Does the U.S. budget deficit really matter? The presidential candidates have certainly been told by their advisers that a failure to bring down the deficit will make it far more difficult to steer a safe course between inflation and recession in coming years.

This year's election was the first in which Mexico's rulers have permitted a significant opposition to emerge. The scandals of the ballot boxes are a byproduct of the struggle between the people who want competitive elections and those who think them dangerous.

Mr. Dukakis's talk of cracking down on tax evaders and cutting government waste is frustratingly vague. But it would be naive to fault him for refusing to offer specific proposals for more taxes and budget cuts.

Changes in U.S.-Soviet relations are even more critical. Any comprehensive vision of a world beyond Mutual Assured Destruction, or MAD, must involve the political evolution of the U.S.-Soviet relationship to a point of significant cooperation.

We need to understand better the limits on Soviet power. The Soviet centralized command-and-control economy is incompatible with advanced industrial-economic development, inefficient in allocation and inept in incentives.

Reading between the euphemisms, Mr. Dukakis seems to be positioning himself for a bipartisan share-the-burden solution that includes cuts in both defense and social spending, as well as a tax increase.

Harvesttime in Congress

The U.S. Congress reconvenes this week, we hope not for long. The last days of any Congress are a descent into Halloween, except that the grown-ups tend to play trick and treat.

thrash the bills out (as they had the defense authorization bill) one at a time; but perhaps in an election year that is too much to ask.

Most of the other ripening vegetables ought to be left in the field — a textile bill that could give even protectionism a bad name, an ill-advised South African sanctions bill, the child care bills the Democrats are nosing forward in both chambers.

The 100th Congress, the first in the Reagan years in which the Democrats controlled both houses, has compiled a creditable record for a period of divided government.

Other Comment

Relieving the Mexicans' Pain

The decisions [President de la Madrid] made in order to help pay Mexico's \$100 billion-plus national debt at a time of falling oil prices and rampant inflation were especially painful, but it must be remembered that he inherited most of the problems he faced from the corrupt administrations of his predecessors.

ated better terms for their repayment, then imposed the harsh austerity program that Mexico's creditors insisted on. The program helped control inflation and began reducing the state role in Mexico's economy, laying the groundwork for a stronger private sector.

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Toward a World Beyond MAD

By Graham T. Allison, Albert Carnesale and Joseph S. Nye

This is the second of two articles.

CAMBRIDGE, Massachusetts — The first step the West must take is to achieve a conventional military balance that will permit reduced reliance on nuclear weapons to deter conventional aggression.

The command, control, and communications networks associated with strategic and theater nuclear weapons, however, are less robust than the forces themselves. Strengthening these networks can do the trick.

Changes in U.S.-Soviet relations are even more critical. Any comprehensive vision of a world beyond Mutual Assured Destruction, or MAD, must involve the political evolution of the U.S.-Soviet relationship to a point of significant cooperation.

Latin America's Rising Populist Left

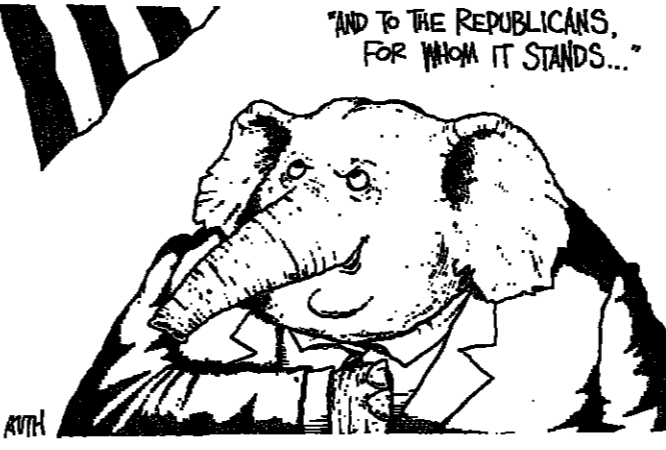
By Jorge G. Castañeda

MEXICO CITY — Much has been made about the relative homogeneity of political trends in Latin America today. In the United States, there are those, particularly in the Reagan administration, who speak of the "return to democracy" in the hemisphere, mentioning countries such as Argentina, Brazil and Uruguay.

On the Pledge And Other Incantations

By William F. Buckley Jr.

NEW YORK — The public quarrel over the Pledge of Allegiance brings out the worst in political formalists, but even so is not an entirely unenjoyable exchange.



nor Dukakis is going to put the elimination of God from the pledge into his platform. On the other hand, why not? There are plenty of Supreme Court decisions he could rely on to insist that the incorporation of anything religious into the national Pledge of Allegiance is a violation of the First Amendment.



With Israel, Silence Falls Too Quickly

By Anthony Lewis

BOSTON — A middle-class man — a lawyer, a dentist, a businessman — is taken from his home by soldiers. They tell him he is a threat to the country's security.

The writers are at the Kennedy School of Government at Harvard University. This article was adapted for The Washington Post from their new book, "Fateful Visions."

How the Superpowers Can Do Business

By Melvin Fagen and Evgeny Chossudovsky

GENEVA — The joint statement issued in June at the end of the Moscow summit reaffirmed the "strong support" given by both the United States and the Soviet Union for the expansion of mutually beneficial trade and economic relations.

How the Superpowers Can Do Business

While the Soviet Union imported \$1.2 billion of U.S. products, the major limiting factor in this trade is the ability of the Soviet Union to sell its goods in the U.S. market.

Some 30 joint ventures with Western companies have been established in the Soviet Union. One of these, involving an Italian group, plans to manufacture almost half a billion dollars worth of industrial refrigeration and deep-freezing equipment by 1990, of which about 10 percent would be exported to North America and Africa.

It will not be easy for the Soviet Union to increase its sales of manufactures in the U.S. market. But new opportunities may be arising. The Soviet Union may be able to find new U.S. markets for products in which it possesses advanced technologies, such as metallurgy, chemicals, space machinery branches and special research.

Mr. Fagen, an American, is a former director of the Trade Development Division at the U.N. Economic Commission for Europe. Mr. Chossudovsky is a Soviet citizen, was a member of the commission's secretariat for many years. He is currently a senior fellow of the U.N. Institute for Training and Research. This was contributed to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1888: Afghan Rebellion

1913: Air-War Tactics

should prove a serious competitor. PARIS — A new model, 80 horse power military aeroplane, carrying two people, was put through a series of tests yesterday at the Niampert aerodrome at Villacoublay.

1938: A Neutral Norway

LE HAVRE — Strictest neutrality, which will keep it apart from any struggles which may develop in Central Europe, is the desire of Norway, according to C.G. Hambro, President of the Norwegian Parliament.

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ARTS / LEISURE

Footlight Notes  
By Stella Adler

By Mervyn Rothstein  
New York Times Service

TO Stella Adler, one word best describes Konstantin Stanislavski: "God."

In the 1930s, Adler, already a star with the Group Theater in New York, where she appeared in Clifford Odets's "Awake and Sing" and many other plays, went to Russia to study with the great teacher and theorist of acting.

"He took this young and rather charming lady called Stella," Adler recalled the other day from her summer home in Los Angeles in a conversation about her just-published book, "The Technique of Acting."

"We worked together as colleagues. One of the things he made quite clear was that everything in life had a place. Every stone had a place. Every object had a place. The only person that had no place was the actor, because the actor didn't understand that the play-form was a place, and he could make that place into anything he wanted. The actor improvised that place, guessed at it, assumed it. But Stanislavski made it a fact that the actor has to be completely absorbed in the truthfulness of the place in which he functions."

Adler took what Stanislavski had to say and ran with it. She had already begun teaching at the Group Theatre. She had been acting for more than three decades before she met Stanislavski.

Born to Jacob P. and Sarah Adler, the best known tragedians of the Yiddish stage in the United States, she made her theatrical debut in 1906, at the age of 4, in "Broken Hearts." By the '30s, she had acted in hundreds of plays. All of her family, including her brother Luther, who died in 1984, became actors.

She has taught at the New School, at New York University, at Yale University's School of Drama, and, since 1949, at what was first the Stella Adler Acting Studio and is now called the Stella Adler Conservatory of Acting in Manhattan. She has had many famous students — Marion Brando, Robert De Niro, Warren Beatty, John Ritter and Melanie Griffith are but a few.

At 86, she is still going strong — she spent this summer teaching at the West Coast branch of her Conservatory, and classes in New York begin on Sept. 29.

And now she has written a book, published by Bantam, with an introduction by Brando, "to help actors

who had no foundation and no place to get a foundation, and no culture in which a foundation was encouraged. In America, there's a certain Puritan sense of holding down the soulfulness and spontaneity of emotional equipment; there's a certain shamefulness."

As she writes in her book: "The typical middle-class education is one of conformity. Rigid models of success and sobriety are placed before children from the very beginning. These set standards of behavior, or the Norm, are obstacles for the growing artist. This middle-class way of thinking becomes a straitjacket for the imagination."

"The dread of criticism, money madness, stage fright, unusual shyness, star dreaming and character clichés are impositions made by the public. To be an artist you must overcome these obstacles."

"Imagination is primary in the young actor," she said the other day. "He must develop and understand that the play is built on the imagination and talent of the writer, and the actor must to an equal degree develop his own imagination to match or compete with the author's imagination."

Accordingly, Adler has felt that the actor should deduce character from the historical and social context of a role. "The background should lead you to your character," she writes in the book. "Before you can live convincingly in the present on stage, you must have a fully realized past."

Her version of the Stanislavski Method put her in constant disagreement over the years with another of the most influential acting teachers of the century who was also a Stanislavski disciple: Lee Strasberg of the Actors Studio.

Strasberg taught actors to reach into their memories to find a personal experience they could relate to what their character was feeling and doing on stage.

Although Strasberg died in 1982, Adler still reacts strongly when asked about their differences. "I thought his way led to insanity." (For his part, Strasberg, once asked to compare the two methods, replied, "There's no comparison.")

Adler has some simple advice for young people who wish to become actors: "Turn off the television, and listen to music. Read good books, read a lot of poetry, join societies where you can read aloud to each other."



Gary Shail and Nicky Croydon in Peter Nichols's "Poppy."

Shakespeare as He Liked It

By Sheridan Morley  
International Herald Tribune

LONDON — Kenneth Branagh's Renaissance Company season at the Phoenix continues to prove that when actors are left in charge of actors, the usual beneficiary is the playwright. Like Judi Dench's "Much Ado About Nothing," Geraldine McEwan's debut as a director with "As You Like It" is a

THE LONDON STAGE

masterpiece of simplicity and a refreshingly straightforward return to the text.

She seems to have no overriding theory about the play. She does not impose on it any directorial philosophy beyond that of setting it in a late-Edwardian world where Touchstone, with Branagh in the role, can be a failed music hall comic and Rosalind and Celia can be leaders of the new women.

Beyond that, McEwan's intention would seem to be a briskly witty canter through the text, allowing the two leading players of the company (Branagh and Richard Easton as a superbly acerbic Jacques, mysteriously dressed as for a Tyrolean comic opera) to give gentle acting and verse-speaking lessons to an otherwise young and inexperienced company, even while playing the scenes with them.

Tam Hoskins as Rosalind is often more Shavian than Shakespearean, while James Larkin as Orlando is at best a little unmemorable, but so strong is the company feeling here, and so amiable their desire to give us the play and let us decide what we wish to make of it, that the result is an evening of charm.

intelligence and considerable entertainment.

Five years ago Peter Nichols wrote for the Royal Shakespeare Company at the Barbican a musical called "Poppy" which is probably the closest the British theater will ever come to Sondheim's classic "Pacific Overtures." It too is concerned with the effects of the West on the East, though where Sondheim wrote of the American opening of Japan in the form of an opera, Nichols is concerned with the British opium trade in China and chooses the form of a Victorian pantomime.

"Poppy" remains one of those intriguing shows that nobody ever quite gets right. After the Barbican run, Terry Hands tried a glitzier version that foundered in the West End; at the Half Moon in the East End, Chris Bond has now pulled it back the other way, toward a small-scale studio version with a cast of a dozen and an orchestra of five.

Nichols uses pantomime (though not the Marcel Marceau variety) to examine the sheer hypocrisy of Victorian values. "Poppy" is in that sense about drug-dealing and racism and sexual perversion and everything else that made 19th-century England to focus of world attention and admiration. But the show has instincts of the author and his composer Monty Norman mean that they are forever breaking off from their theme to have a look at the eccentric workings of the Victorian theater in all its transvestite confusion. Though Bond's new production is tougher and lighter than the original, the casting and choreography at the Half Moon are no match for the RSC originals, so that we are still left with a weird mix of panto-parody and social documentary.

British theatergoers have always been curious in their tastes for thrillers. Give them something really terrible, like "The Mousetrap," and they will turn it into a national monument to overacting and underplotting. Give them something rather more complex, like "Sluth," and they will grudgingly make it a hit while reckoning its author too clever by half. Give them a really banal mixture of snobbery with violence, like "And Then There Were None," and they will bring it back to the Strand by popular demand. Give them a daft three-hander, like "The Business of Murder," and they will flock to it at the Mayfair for a decade.

In such a desultory climate let us at least welcome Brian Clemens, television writer of "The Avengers" and "The Professionals," whose "Inside Job" is running until the end of this month at the enchanting Riverside Mill at Soaring.

It is the inevitable three-hander about who is trying to kill whom and to what purpose, but cobbled together with considerable twisting skill and played out in the setting of a Spanish villa by Gary Raymond, Barbara Kellerman and Robin Sachs, all of whom seem to remember how these taut, tense little triangle thrillers need to be done.

True, Clemens does write a cliffhanger every 20 minutes as if still expecting a cut-away to the commercials, and most of his lines are still written to be delivered across half-open safes by characters clutching guns or each other's throats, but the old "Dial M for Murder" plot still works. Even treblecrosses have to be played by the rules.

We just can't say "cheese!"



Audience Guffaws  
At Zeffirelli Film

By Thomas Quinn Curtiss  
International Herald Tribune

VENICE — Franco Zeffirelli, highly esteemed for his accomplishments in the theater, opera and motion pictures, has a prankish side. But is he laughing at us or with us in "Young Toscanini," unveiled at the Venice festival to derogatory howls and rude laughter?

It relates the debut of the great conductor in Rio de Janeiro in 1886. An 18-year-old cellist and rehearsal pianist in a touring Italian opera company, he was called on to conduct an "Aida" after backstage disputes eliminated the scheduled maestro.

The star was a retired Russian diva, the mistress of the emperor of Brazil. Toscanini was a fiery advocate of liberty, and here as a boy genius he convinces the prima donna to join him in stamping out slavery in Brazil. According to the Zeffirelli script, its English dialogue jingling with ancient clichés, the courageous lady (Elizabeth Taylor), holds up the show to declare that she is head of an abolitionist committee. It was this indignant sequence, compounded by crediting the opera-house scandal with the abolition of slavery in Brazil two years later, that aroused the derision at the Monday showing.

One supposes that Zeffirelli designed this circus production — which some consider the funniest

in the festival — not for movie connoisseurs but for international television audiences.

Taylor, still a vision of beauty, moves her lips in measure to the offscreen voice and lifts her eyebrows with the high notes. C. Thomas Howell a very Anglo-Saxon Arturo, mimics conducting acceptably, while Pierre Noiret is the underplayed emperor — the film's only concession to subtlety.

In other offerings, John Schlesinger's "Madame Sousatzka" has Shirley MacLaine as a failed pianist who grooms an Indian prodigy to be the Paderewski of tomorrow. The plot is not the thing. The things are MacLaine's histrionics, Navin Chowdhry as her eager pupil, Peggy Ashcroft as the landlady of a bohemian household and Twiggy as a leftover pop singer.

Ennio Guzman takes two hours to reproduce Joseph Roth's memorable short story, "The Legend of the Holy Drinker." Rutger Hauer and Anthony Quayle are its resourceful actors, but compression would benefit this film.

Claude Chabrol's "Une Affaire des Femmes" takes a notorious case of rough justice from the occupation and transformed it into vivid drama. Isabelle Huppert, as the housewife who pays for her questionable morals with her head, gives one of the festival's most moving characterizations.

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NYSE Gains in Slow Trading

United Press International. NEW YORK — Stock prices advanced Tuesday in slow trading on the New York Stock Exchange, extending the pre-Labor Day holiday rally but failing to generate an increase in market participation.

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(Continued on next left-hand page)



# GoldStar Korea in the Fast Lane

Originally made up of migratory Central Asian tribes, but made fiercely patriotic through countless trials by fire, Korea does not hide its light under a bushel. Whether it be the hosting of the 24th Olympiad this September or its record as a manufacturer and seller of high-tech electronics products, Korea is ready to take its place in the world.

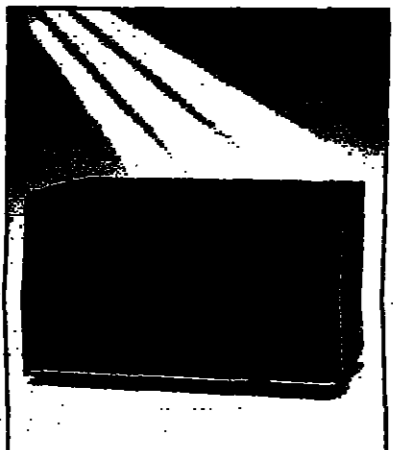
Author Simon Winchester notes that "Korea has spent the better part of its four thousand years being invaded, crushed, subjugated, colonized or in other ways trampled on. But through all this, the Korean people have remained culturally inviolate, in no small part because of their fierce attachment to their colorful and complicated history."

"We are Korean," say the 44 million citizens of this newborn democracy. "We are invincible." To such attachment, such fierce self-regard and for such a noticeably patriotic people, something so tiny as an economic problem is simply another challenge. They intend to win this challenge the same way they intend to win — as a proud host — the Olympic Games.



**E**VEN by the standards of Korea's large conglomerates, Lucky Goldstar has an enviable history. Starting in 1947 as Korea's first postwar factory producing one brand of facial cream with imported chemicals, the company has expanded enormously. Its combined assets are now close to \$4.5 billion, it has 100,000 employees, manufacturing plants on every continent — a total of 83 offices — and a profile in chemicals and electronics recognized worldwide.

Its 1987 revenues of \$15 billion represented a full 42 percent of the Korean



Upmarket consumer products include microwave ovens.

GNP. Lucky was the first Korean company to form a joint venture, for a petrochemical plant in Saudi Arabia, and others are in the pipeline. Their \$10 million American headquarters, started just five months ago, will act as a focal point for the seven Lucky-Goldstar subsidiaries already involved in sales, production and research there.

The company also has the most prominent building on the burgeoning Seoul skyline. The twin Lucky-Goldstar towers are architectural proof of its position in Korean — and international — business. The largest office building, it is also a state-of-the-art office in automation and communications.

The "Lucky" twin is the chemical arm of the business. But when Lucky began to manufacture radio cases in 1958, graduating the next year to building its own radios, the company formed its own subsidiary, GoldStar.

The success of GoldStar has, at times, eclipsed that of the original Lucky. This year, because of the appreciation of the Korean won, sales of GoldStar have not equaled those of its parent. But with a revenue last year of over \$2 billion, the company is still the dominating force of Lucky-Goldstar.

Its size recently prompted a change in management style. Today, GoldStar is the consumer electronics end and the major resource of 12 different companies under the GoldStar name. Included are GoldStar Semiconductor, GoldStar Devices, GoldStar Telecommunication, GoldStar Electric, GoldStar-Alps Electronics, GoldStar Industrial Systems, GoldStar Instrument and Electric, GoldStar Cable, GoldStar Electric Machinery and GoldStar Honeywell.

GoldStar, as the flagship, manufactures a bewildering number of products for the home. Starting with a domestic base in 1958, when few Koreans even had electricity in their homes, GoldStar has diversified in both engineering and geography. Today, 70 percent of its products are seen around the world, either in other equipment manufacturers' outlet chains in the United States or, more and more, under the GoldStar name.

The aim, according to the "official GoldStar philosophy," is to be the world's number-one manufacturer of consumer products. Most executives admit this could be very far in the offing (Korea itself is sixth in the world, and GoldStar has about 44 percent of the market). But should the Japanese yen appreciate at a higher rate than the Korean won, and should EC and American protectionist measures be stalled or alleviated, then Korea could really boom.

GoldStar executives attribute their success to the company's technological experience, its continued commitment to quality and extensive research and development.

GoldStar's refrigerators, washing machines, fans and air conditioners remain among the top sellers in Southeast Asia and Korea itself. The electronic equipment division, accounting for about 70 percent of sales, builds microcomputers, televisions, VCRs, audio equipment and microwave ovens. GoldStar's video equipment technology was the second in the world to successfully develop its own 8mm camcorder, as well as video disc-players, bilingual television and double-scan television. In audio, compact discs are popular, as well as video and audio cassettes, floppy discs, computer tapes and magneto-optical tapes.

Still in the future is GoldStar's "Total Home Automation System," to allow the control of all household maintenance and entertainment equipment at the touch of a button.

Quality control is a special challenge. "There is still the perception of Korean products as not up to the finest," admits Vice President John Koo, "so we have to make special efforts in this direction."

The special efforts began in 1984, when GoldStar declared "The Year of Consumer Protection," and established



Microcomputers are part of the continuing success story.

the largest Quality Assurance Laboratory in the nation. The lab is equipped with the finest equipment and staffed by professionals, making it the equal of strict inspection facilities in the United States and Japan.

Stringent quality control tests are regularly applied to all of GoldStar's consumer products and backed up by their

nationwide after-sales service network.

Today, virtually every component in home appliances can be manufactured in Korea, although it is sometimes more economical to buy technology from other countries.

But looking toward the future, GoldStar's goal is to make the company self-sufficient in components as well as to create new products.

GoldStar's plants in Indonesia, Germany, America, Thailand, Turkey and soon in China and Mexico are an important manufacturing element which will branch out even further.

At present, with domestic financing still on hold, such plans can only be short-term. Yet, despite stringent financial controls, GoldStar has managed to sell some of its products to the Soviet Union (through India), and has already held an exhibition in Moscow. Another is scheduled for this November and a further task force has been set up in Vienna to coordinate marketing in East Europe.

But it is in R&D that GoldStar sees

the future, and investment is going up. In fact, GoldStar has set up a special committee to develop almost 1,000 items. The goal over the next few years is to substitute \$160 million of materials imported with local materials.

To Western minds, the GoldStar management philosophy of *Inhaw* — people-oriented human relations — may sound almost cute or comy. But even the most sophisticated management says that it seems to work. GoldStar had unions long before other electronics companies, their management integration has led to greater coordination, and they are now playing a waiting game.

The wait is for the post-Olympics feeling, when the electronics industry as a whole is slated to fall off; to see the way the currency market goes; and to wait for the post-Presidential election and EEC regulations.

Fortunately, GoldStar, like Korea, has risen to enough challenges to be flexible. It may sometimes be conservative, but it's clearly in the fast lane in pursuit of world markets.

## In Pursuit of a Global Strategy

**A**LTHOUGH he is one of the youngest executives in GoldStar — where 40 is the minimum age for top management — John Koo has one of the most difficult and influential positions. As Senior Managing Director of Overseas Operations, he is responsible for all electronic exports, both in manufacture and marketing. This has not been an easy year for Mr. Koo: with the appreciation of the won, exports have gone down.

At present, GoldStar's profits are about 70-80 percent international-domestic, and the international market may come down 5 percent this year. But this only means a different game plan for GoldStar, one which Mr. Koo finds fairly exciting.

"Our challenge now is not an eco-



Mr. John Koo's overseas market extends from the U.S. to China.

nomics crunch. The Lucky-Goldstar Group can take care of that. But our biggest problem is how to coordinate global strategy. Not only marketing, but production."

Mr. Koo himself has no illusions where GoldStar products stand. "We have acceptable quality overseas," he says.

"Of course we would like to be compared to the top class of Japanese products, but to be honest, we're closer to the second line of Japanese products. Our features are advanced, but not the most advanced. Perhaps in a few years this will change."

"At the moment, GoldStar has the basic human software, the right climate and the right educational level. But realistically, we must profit by a certain price differential and by being not quite top-of-the-line."

"OEM products (those manufactured by GoldStar for other companies) make up 30 percent of our American market. Perhaps in a few years, this will be less. But we are grateful that other companies use us, and we aren't planning any big changes in that light."

"One advantage of the Japanese is that they are so very detail-minded. In electronics that gives them a tremendous advantage. We are aggressive salespeople, but our engineers have to appreciate that sense of detail which is so vital."

One challenge which worries Mr. Koo, GoldStar, and Korea in general, is the prospect of an American protectionism bill and more stringent measures being taken by the European Community. Mr. Koo has no easy answers.

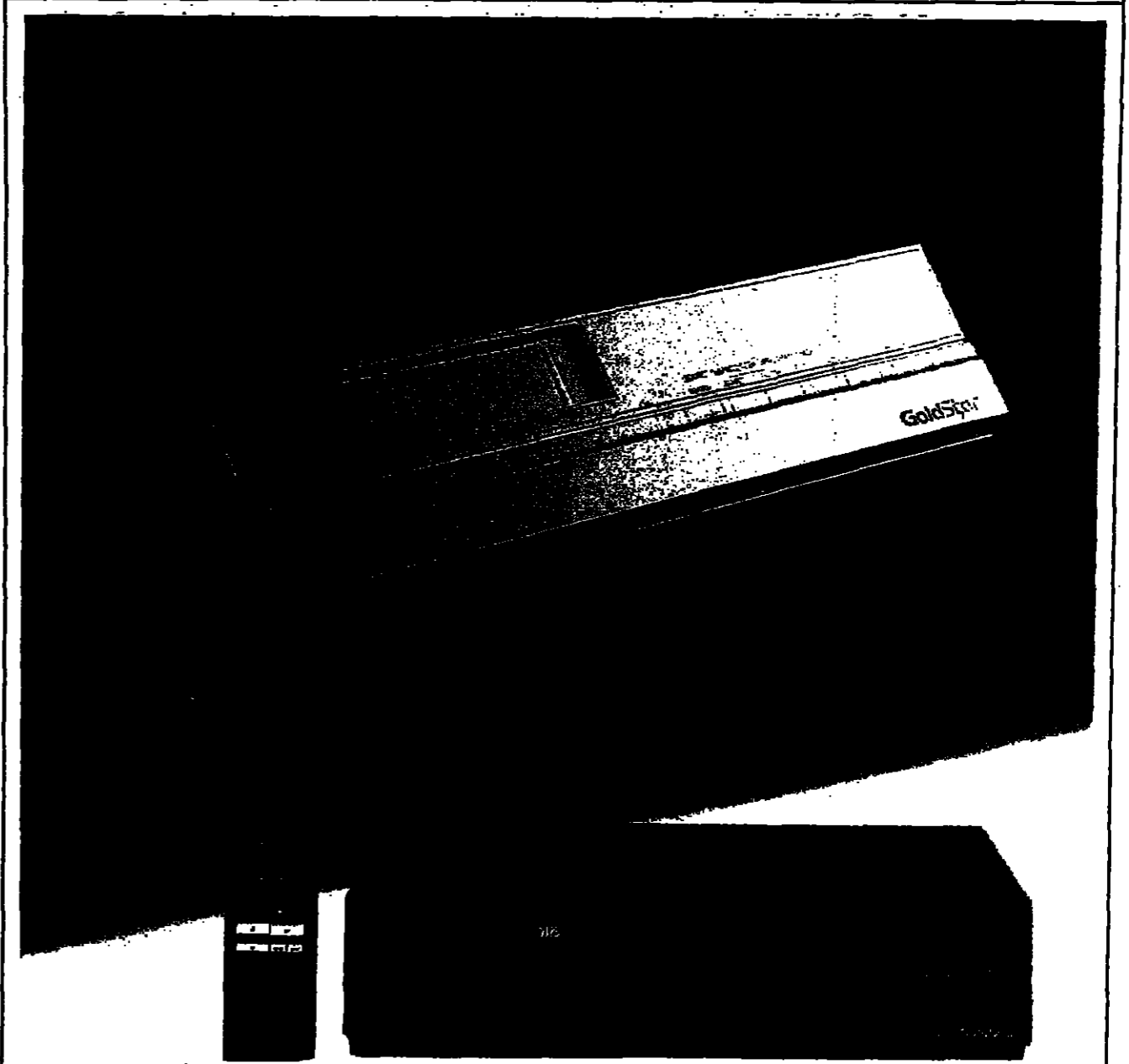
"On the good side, many Koreans, including myself, are optimistic that this will simplify our marketing, that it will streamline both manufacture and sales," he comments.

"But the EC people are hardly dumb. They won't open up so easily to us. They may even come up with more restrictions. We're vitally concerned that they will try to protect their own market. In the long term, I think it will be beneficial."

"As for America, the present bill deals with color television sets. That's why we're branching out. We're starting our own factories for color TVs, both in Mexico and China. The Mexican quality isn't as good as American, but the difference in cost is worth it."

"With China, we're starting off small, perhaps 100,000 television units (as opposed to 4 million in Korea). Of that, 40 percent will be consumed in China, the rest overseas."

The Chinese infrastructure is hardly inviting, no matter how much the country wants to have joint ventures. Eastern Europe is a big market, but payment poses difficulties because the company must go through a middleman. For instance, India has a special agreement with the Soviet Union, so in order to sell (See *Global Strategy*, Page IV)



GHV-1250M

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For every one of the 7,000 world-class athletes participating in the '88 Seoul Olympics, Goldstar is supplying 5 of its home appliances. Because only the best is good enough for our Olympic guests.

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# The Korean Contenders

**W**HEN GoldStar made the first Korean radio in 1958, that now simple vacuum tube box marked the start of a multibillion dollar industry. As Korea slowly achieved a reasonable living standard, major companies made an effort to manufacture in line with the demand. The turning point came in 1972, when Korean exports reached \$100 million.

Since then, shipments of electronic goods have risen, on average, by 33.6 percent annually. In the 1970s, radios, black-and-white televisions (of which GoldStar is still the world's leader) and integrated circuit chips graduated to VCRs, microwave ovens, computers and other technology-intensive products.

Yet, in the aftermath of the Second World War, the Republic of Korea was left with nothing. "Our country was ravaged, separated. We didn't have manufacturing plants, machinery or engineers. It's difficult to imagine now, but every single thing that we needed — from building materials to a tube of toothpaste — had to be imported," comments a GoldStar executive.

Today, electronic consumer goods comprise 2.2 percent of Korea's total commodity exports, valued in 1987 at an incredible \$11.2 billion. According to the Ministry of Trade and Industry, this figure is the equivalent of Korea's total

wave ovens, video tape and color picture tubes.

Korean electronic goods are shipped to 123 countries in the world.

So how much further can Korea expand? With world demand estimated to reach \$1 trillion by the year 2000, there is clearly scope for growth. But there are also tremendous problems ahead.

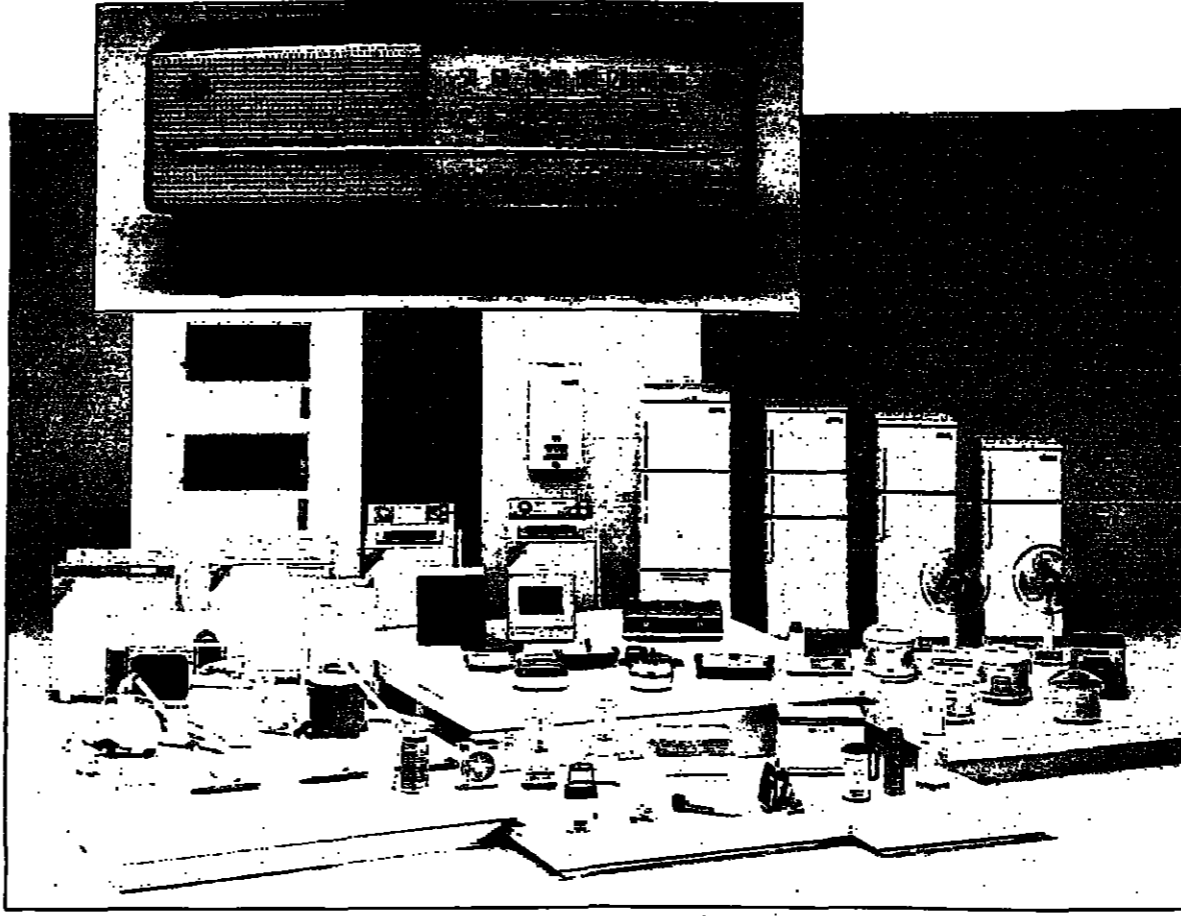
The appreciation of the Korean won last year, up 9.5 percent against the U.S. dollar, has led to relatively negative feelings about electronics in 1988.

In order to cope with this, one major spokesman for the industry, GoldStar's Chairman Koo Cha-hak, has suggested that the industry pursue "factory automation, reduce production costs and increase investments in technical development" to maintain export competitiveness and profitability.

Another problem may be domestic wage rises. Until 1987, the Korean worker was relatively passive. There were labor unions — but unlike those in the West, they were limited to the companies themselves.

Then, with the political turnaround, Korea's workers began to strike for more wages. Within a few days, management had settled for a 20 percent raise in the electronics industry — only to be hit for a further 22 percent later.

With the wave of euphoria for the Olympics, labor problems will probably remain dormant this year, but the pros-



GoldStar's first Korean radio (inset) and their current range of home appliances.

an Common Market and the United States.

The Koreans are facing this in two ways. Individual companies such as GoldStar have been learning the advantages and problems of investing abroad. Their Huntsville, Alabama plant for televisions has not been doing particularly well, but with their new knowledge of the market they are making further plans for the North American market.

Their German and Turkish manufacturing facilities are doing better but they are still worried about more stringent EEC laws.

The government itself is liberalizing import rules for the first time. Korea is still a fairly inward-looking nation, but custom tariffs are scheduled to fall to 10 percent by 1992.

The government has also encouraged smaller firms to enter the market. The five major *cherbols* — the Korean word for huge industries like GoldStar — currently make 95 percent of consumer products. With new regulations, no *cherbol* will be allowed to enter an industry in which it is not already involved, leaving innovative new areas to new companies.

Futhermore, government subsidies (usually indirect) have been removed,

leading to greater competition from the outside world.

There is still a very real sense of resentment — almost a truculence — about protectionist policies. One executive from the Korean Federation of Electronics Industries, Mr. H. S. Lee, blamed

America for "not doing enough to get its products abroad."

"Americans," he says, "have the world's most sophisticated space program but never sell patent rights. They had the most advanced and successful society, but they didn't work hard

enough, and then they blame it on the four tigers." (Korea, Taiwan, Singapore and Hong Kong.)

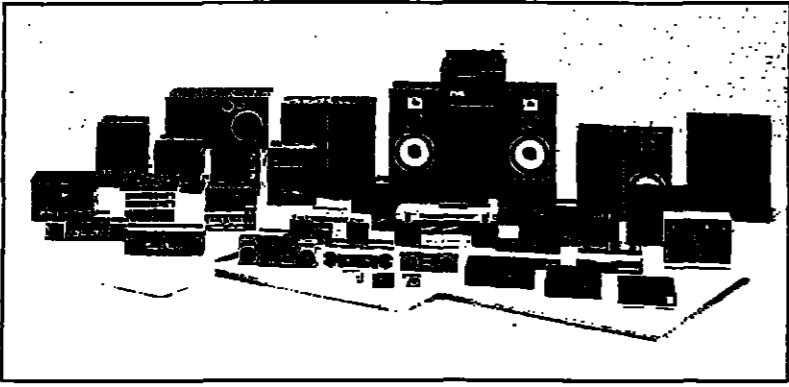
The traditional Korean animosity toward Japan is also brought into the economic sphere. But, despite any resentment, the electronics industry is still largely dependent on Japan for semiconductors, integrated circuits and other high-tech materials.

Still, Korea has come a long way. Until a few years ago, most manufacturing was undertaken for other corporations. For instance, 50 percent of the country's electronic exports to the United States are destined for Sears, K. Mart, J.C. Penney and other retail stores. More and more Korean names are now making their own niche in the market.

Korea must next find new plants, transfer its own technology in turn and move upmarket to meet the challenge of change.

Thus, in 1987, GoldStar signed technology transfer deals with India, Indonesia, Iran and Turkey. It is also studying the feasibility of refrigerator and washing machine plants in Indonesia or India and Latin America.

A Federation spokesman finally came down to basics. "Our concentration must now move from the low end of the consumer markets to higher value goods, to more efficient production and more local manufacture of components and technology for which we still depend on other countries."



More and more Korean names are finding their own market niche.

commodity exports just one decade ago.

For despite its relatively small population and a fairly small average wage of less than \$3,000 a year, Korea now ranks sixth in the world as an exporter of electronic goods, just after Japan, the United States, West Germany, Britain and France. The country is first in black-and-white televisions, and the second-largest manufacturer of VCRs, micro-

processors for next year look less settled.

Yet, as wages rise, the Korean domestic market will be able to absorb ever more sophisticated products. Thus companies such as GoldStar, with its ongoing research program, may well benefit from greater consumer demand.

The most important problem — which is worrying the entire industry — is protectionism, both from the Europe-

## Teaching Tomorrow's Technologists

**T**HE Yonam Science Hall in the Lucky-GoldStar Twin Tower Building is a fine mixture of fact and fantasy. Outside of Japan, there may not be any museum like this in Asia.

The central motif is "Man, Technology and the Future" — a title which does little to prepare the visitor for this magical glimpse of an octagonal universe, with light bouncing off a myriad of reflectors, where lasers create illusions that only dreamers could imagine.

Take the kids who fly like Superman in their "magic shoes" and "magic cape." A GoldStar Videorecorder does the rest by recording them and superimposing the shot on a moving image of the world from above.

The result? A trick of the light that lets kids see themselves flying over the world as clearly as Christopher Reeves in the film.

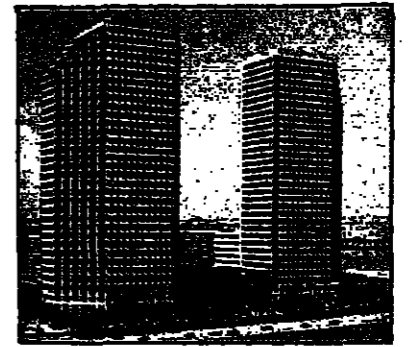
Or explore the "City of the Future"

This is Seoul, with the Twin Towers in the foreground. Press the button, and a fully-animated miniature world of space rockets, submarines, light-pails and futuristic electricity opens up in front of your eyes.

Engineer's plastics may sound dull. But behind the plastic car is a three-dimensional screen. That's amazing enough on a flat wall. But even more amazingly, on the real three-dimensional car, lasers also project miniature people and robots. This is really education in action.

The theme of "Factory Automation in the Future" is acted out by a complete line of robots busily building GoldStar electronic products. And "Home Automation of the Future" shows how well a completely computerized home could work.

Genetic engineering is another concept that generally sends noninitiates scurrying for cover. But not here. Animated animals show exactly how it works and what it does.



The city of the future with its twin GoldStar towers.

John Koo, the Senior Managing Director of GoldStar's Overseas Operation, has said that the most important challenge the electronics industry faces isn't protectionism or economics: it is how to set about educating the next generation of electronics engineers.

The Yonam Science Hall shows exactly how this should be done, by transforming textbooks into a fascinating adventure story.

## Applied Research and Development

**A**LWAYS the pragmatist, Korea has excelled in using its technology at home and abroad in harmony with its products. "Technology," said Lucky-GoldStar Chairman Koo Cha-lyng just last month, "is not an end in itself. R&D activities must result in applications capable of furthering the growth and success of the group as well as serving the future needs of society. Therefore we constantly strive to coordinate R&D and marketing activities to anticipate and meet the demands of tomorrow."

In 1975, the idea of a plant devoted entirely to research was simply unknown. That year, though, GoldStar opened the first private research plant in the country. Today, the GoldStar Central Research Laboratory is but one of 18 different research laboratories in Korea, not to mention a joint venture in Silicon Valley, California.

GoldStar's newest R&D plant was opened in May 1987, in Woomyeong-Dong, a suburb of Seoul, at a cost of 100 billion won (about \$117 million). The center was initially staffed with 820 scientists and technicians, but by 1990, their number should reach 2,000.

The center, occupying 375,000 square feet, is mainly responsible for new media formats, office automation, home automation and research into semiconductors. The international standard facilities include a precision-measurement laboratory, a dust-free laboratory, and a processing laboratory.

Ordinarily, Korean firms invest approximately 2 percent of their total sales in research, but by spending an estimated \$12 million in 1988, GoldStar and its parent company, Lucky-GoldStar, will be investing near 5 percent. Much of this is to maximize its international price competitiveness.

With a dedicated localization program, GoldStar has also formed a committee to localize electronic parts and components.

The R&D facilities are totally integrated with GoldStar's other sectors. Three groups — a corporate R&D group, R&D planning department and the central research lab — hold regular



Putting technology to work on semiconductor design.

planning meetings with the Electric and Electronics Industry section.

This section of GoldStar houses a quintet of R&D sections: for consumer products, computer and communications, electronic devices, semiconductors and industrial systems. Each of these, in turn, has its own research labs.

Many of these production facilities also have their own development laboratories. In the all-important Consumer Products Sector, several have been built to develop video, television, audio equipment and components.

In video, for example, GoldStar has developed its own VCR. It also has bilingual TV, digital VCR, color TV and wire broadcasting systems. In the pipeline are three-dimensional television and laser television.

GoldStar's high-definition television was unveiled last December. The company has also taken the lead in another important area by producing Korea's first VHS movie camcorder. Typically for GoldStar, virtually no outside technology was used. Instead, it was developed from GoldStar's own comb filter, band video amplifier and CPT drive circuit technology.

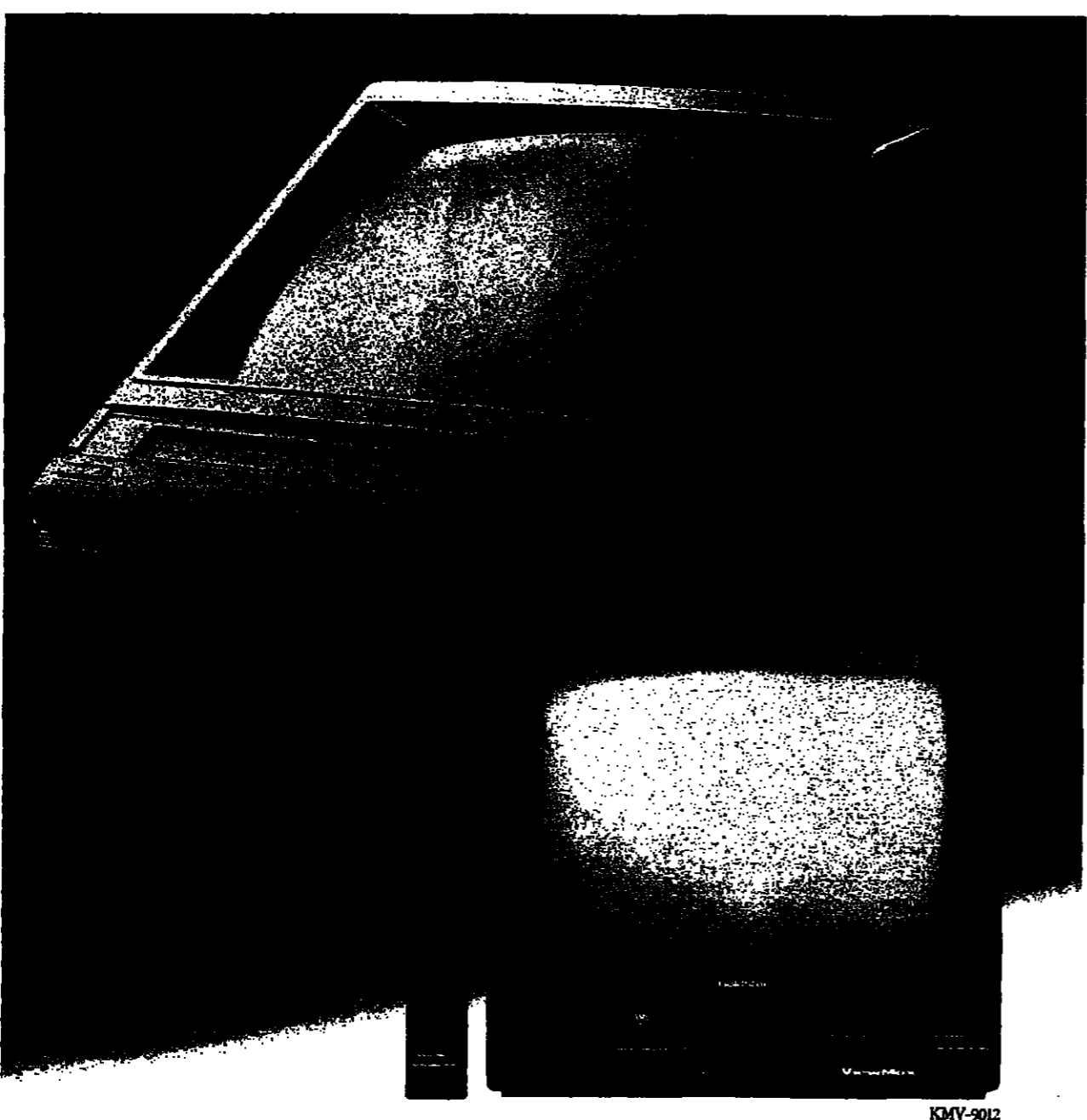
Their technology also includes computer terminals, electronic memory typewriters and a complete range of office automation equipment.

Most Korean companies still need to import Japanese major components such as semiconductors, but GoldStar has de-

veloped its own, including a megabit chip.

Semiconductor-related projects are currently focusing on the development of a 16M DRAM bearing the GoldStar name. And the Central Research Laboratory is developing a Ga-As compound semiconductor 10 times faster than silicon, as well as automation technology for highly integrated semiconductors.

GoldStar doesn't work in a vacuum. The Korean government has two major R&D institutes concerned with electronics, and cooperative research has helped the Korean electronics industry as a whole.



KMV-9012

### Announcing Another Gold-Medal Performance! By Goldstar.

The new Goldstar Viewmax combination TV & VCR. It's a winner! We built in all of the features of our popular color TVs and VCRs, and then teamed them up into one complete audio-visual entertainment system. No more tangled cords. No more static from faulty connections. Just plug it in and turn it on for a clear picture and rich sound every time. The new Goldstar Viewmax TVCR. Just one more reason to... Go for the Gold!

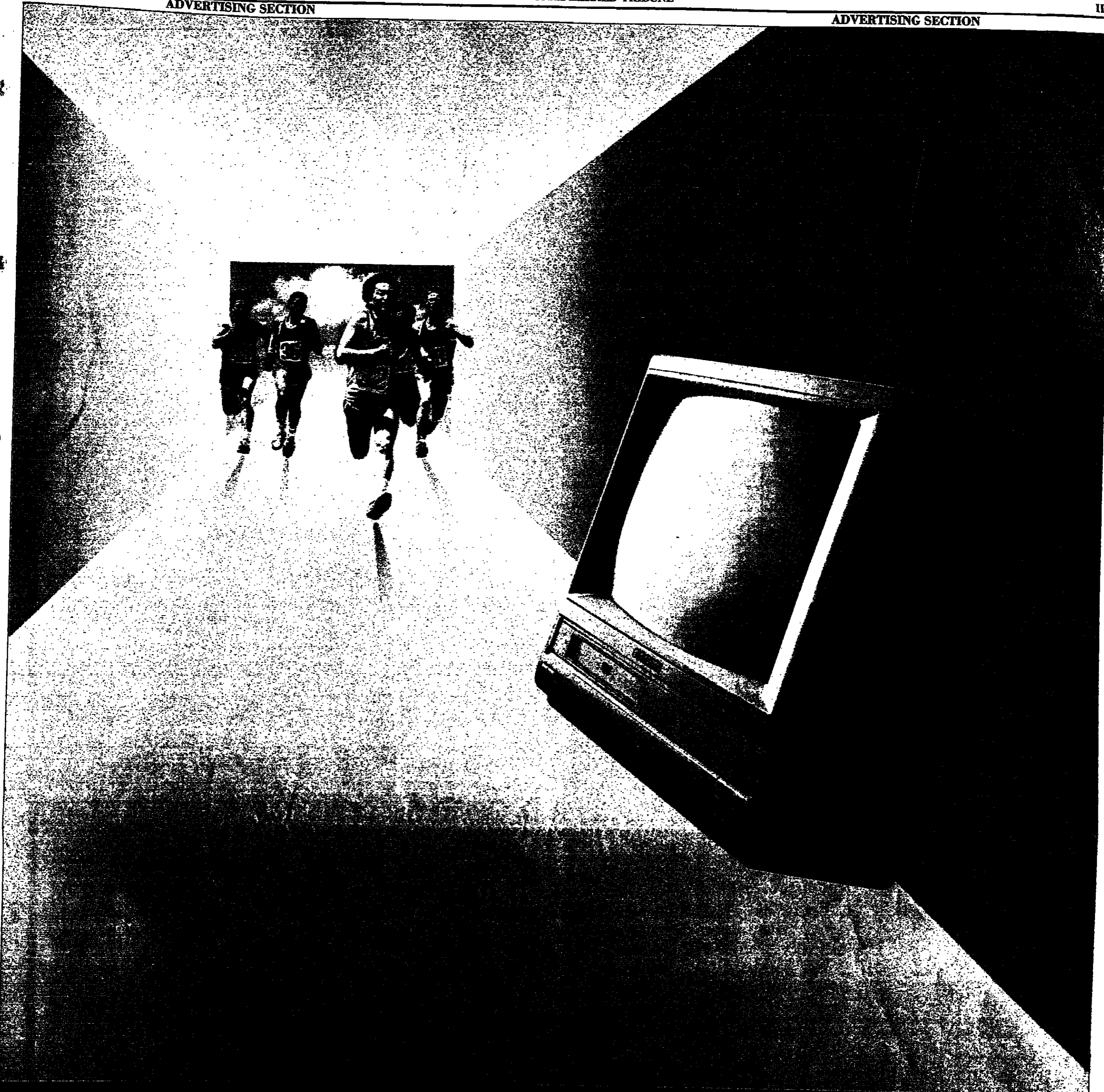


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# GoldStar

Olympic authorities went looking for a communications system to assure the fast, reliable flow of information related to the Games. Their choice: Goldstar.

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# Go for the Gold!

Goldstar extends a warm welcome to all participants and spectators of the Seoul Summer Olympics. In the spirit of the Olympics, we wish each and every visiting team success at the Games.

And for a gold-medal performance every time, choose Goldstar electronics. High-tech products for your home by the company whose sophisticated communications equipment will capture all the excitement of the Games faster and more efficiently than ever before.

So, whether you win or lose in Seoul, you've got to...

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Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High/Low, Div. Yld. PE, 52 Week High/Low, Close, and Change. Lists various stocks and their performance.

U.S. Futures

Via The Associated Press

Table of U.S. Futures prices including Grains, Food, and Metals. Columns include Month, Open, High, Low, Close, and Change.

U.K. Car Sales Up 17.2% in August

Statistics released Tuesday indicated that Britain was headed for a fourth year of record car sales...

Table showing U.K. car sales statistics by manufacturer and model for August and year-to-date.

NYSE High-Lows

Table listing high and low prices for various NYSE stocks.

Table of NYSE High-Lows with columns for Stock, High, and Low.

Jobs Report Took Heat Off Fed

NEW YORK — Pressure on the Federal Reserve Board to push short-term U.S. interest rates higher has eased somewhat...

Table of U.S. Treasuries prices including 3-month, 6-month, and 1-year bills.

U.K. Panel Denies Move By Pernod

LONDON — A British watchdog body on Tuesday rejected an appeal by Pernod Ricard SA of France...

Table of London Metals prices including Aluminum, Copper, and Lead.

Paris Commodities

Table listing prices for various commodities in Paris.

Table of Paris Commodities prices including Sugar, Cocoa, and Coffee.

AMEX High-Lows

Table listing high and low prices for various AMEX stocks.

Table of AMEX High-Lows with columns for Stock, High, and Low.

London Metals

Table listing prices for various metals in London.

Table of London Metals prices including Aluminum, Copper, and Lead.

Spot Commodities

Table listing prices for various spot commodities.

Table of Spot Commodities prices including Aluminum, Copper, and Lead.

Dividends

Table listing dividend payments for various companies.

Table of Dividends with columns for Company, Dividend, and Yield.

To Our Readers

Deutsche mark futures option prices were not available in this edition because of transmission delays.

IMF Sees World Growth Above Prior Estimates. PARIS — The International Monetary Fund has revised its estimate for world economic activity to reflect the current boom in industrialized nations.

U.S. Treasuries

Table listing prices for various U.S. Treasury securities.

Table of U.S. Treasuries prices including 3-month, 6-month, and 1-year bills.

London Commodities

Table listing prices for various commodities in London.

Table of London Commodities prices including Sugar, Cocoa, and Coffee.

BUSINESS ROUNDUP

Federal Express Gets Unilever Units Shiseido

By Ronald van de Krol
Special to the Herald Tribune
AMSTERDAM — Unilever, the Anglo-Dutch consumer products conglomerate, said Tuesday that it would sell its Dutch and West German transportation operations to Federal Express Corp. by the end of the year.

Neither company would give the value of the deal but analysts estimated that Federal Express, the U.S.-based package delivery concern that has been expanding in Europe, would pay about 100 million guilders (\$48 million) for Unilever's road and water transportation companies.

A spokesman for Unilever in Rotterdam, Lia de Keizer, said the company thought its transportation units would be able to grow and develop better within a large-scale transportation company.

Is Buying Hair Care Firm in U.S.

Agentes Franco-Press
TOKYO — Shiseido Co., the giant Japanese cosmetics concern, said Tuesday that it was acquiring Zotos International Inc., an American maker of hair wave products, for \$245 million.

After the War for Générale, Old Rivals Join a New Board

Compiled by Our Staff From Dispatches
BRUSSELS — Rival bidders for Société Générale de Belgique enacted a peace accord on Tuesday that took the conglomerate out of Belgian control for the first time in its 166-year history.

Under the agreement, most decision-making authority will be under the control of a French executive named by Compagnie Financière de Suez, the French merchant bank that had originally been called in by the management of Générale to fend off a takeover bid by Mr. de Benedetti.

The three associates of Mr. de Benedetti who joined Générale's new board were René Thomas, chairman of Banque Nationale de Paris; Peter Cohen, chief executive of Shearson Lehman Hutton Inc., the U.S. investment banking firm, and Alain Mim, managing director of Mr. de Benedetti's French holding firm Cerus SA.

former European Community Commissioner, as Mr. Lamy's successor.
"With today's meeting, the face of Société Générale de Belgique is changing once and for all," Mr. de Benedetti said at the meeting. "Now the shareholders must work out together a strong, effective strategy to renew and relaunch Société Générale."

Taiwan to Sell Part-Interests in 3 Banks

Compiled by Our Staff From Dispatches
TAIPEI — The Taiwan government said Tuesday that it would reduce its stakes in three commercial banks and use the sale proceeds to buy land for public works.

First Commercial, capitalized at 3.3 billion dollars, earned pretax profit of 3.26 billion in the financial year that ended in June. This compared with a loss of 757 million in 1986-87.

Hua Nan, with capital of 3.24 billion dollars, earned 3.26 billion in 1987-88 against a loss of 61 million the previous year.
Chang Hwa, capitalized at 3 billion dollars, had pretax profit of 2.84 billion last year against a loss of 77 million a year earlier.

Iberia Mulls Uruguay Deal

MADRID — Iberia Líneas Aéreas de España SA, the Spanish state airline, is considering an offer to acquire a stake of up to 49 percent in Uruguay's national carrier, Iberia said Tuesday.

AUSTRALIA WE KNOW THE MARKETPLACE
For information...
Neville Willis, Foreign Trade Desk Australia
45 Grenfell Street ADELAIDE SOUTH AUSTRALIA 5000
Deloitte Haskins & Sells
Phone: +618 212 6199; Fax: +618 212 7434 Telex: AA88851

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Sept. 6, 1988

Table with multiple columns listing various international funds, their symbols, and current prices. Includes categories like AL-AM GROUP, DIT INVESTMENT FUND, GUY INVESTMENT FUND, etc.

ETHIOPIA: Airline Grows in Poor, Marxist Nation

(Continued from first finance page)
\$250 million. To help with the purchases, the official said, the Ethiopian government has agreed to waive \$15 million in taxes, equivalent to three years of payments, for the airline.

The airline's fleet now includes three Boeing 707s, two 737s, three 767s and three DC-6s, as well as six DHC-6 de Havilland twin-turboprop transports, two ATR-42 turboprop transports and two Lockheed L-100-30 cargo planes.

Salaries start at 400 birr a month (about \$200), and eventually employees earn more than 1,200 birr a month. A special airline bus takes employees to and from work, and those on the night shift are delivered to their doorsteps.

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NOTICE TO SHAREHOLDERS
FAR EAST GROWTH FUND
The Extraordinary General Meeting of shareholders held on 26th April 1988 resolved to change the day of the annual general meeting of shareholders to the first Tuesday in March of each year at 11 o'clock.

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Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

Table with columns: 12 Month High/Low, Div. Yld. PE, 52 Week High/Low, Open, Close, Change. Lists various stocks including IBM, AT&T, and others.

Table with columns: 12 Month High/Low, Div. Yld. PE, 52 Week High/Low, Open, Close, Change. Lists various international stocks from Europe, Asia, and other regions.

Table with columns: 12 Month High/Low, Div. Yld. PE, 52 Week High/Low, Open, Close, Change. Lists various international stocks, including Japanese and European equities.

Table with columns: 12 Month High/Low, Div. Yld. PE, 52 Week High/Low, Open, Close, Change. Lists various international stocks, including Japanese and European equities.

Herald Tribune

Technology Quarterly

A special news section—four times a year in the IHT

Every three months, Technology Quarterly puts readers in touch with the issues, trends and developments that are shaping the world of high-technology...

- Automation: How innovations in robotics are cutting costs on the assembly line. Computers: Why the search for a single operating standard has split the industry. Research & Development: Who will be first to bring superconductors to market...

The next issues of Technology Quarterly will be published September 14th 1988, December 7th 1988 and March 14th 1989.

For advertising information, contact Rolf D. Kranepuhl, Advertising Sales Director, International Herald Tribune, 181, Avenue Charles de Gaulle, 92521 Neuilly Cedex, Tel: 46.37.93.75, Telex: 6133595, Fax: 46.37.93.70



Floating-Rate Notes

Table listing floating rate notes in Dollars, including issuers like Citicorp, Citicredit, and others.

FIDELITY WORLD FUND

Société d'investissement à Capital Variable, 13, Boulevard de la Foire, Luxembourg B 9497

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY WORLD FUND, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg...

Issuer/Note

Large table listing various international bonds and notes, including issuers like Barclays, Citicorp, and others, with columns for currency and interest rate.

CURRENCY Rate Exp... BONY... OI...



CURRENCY MARKETS

Rate Expectations Weigh on Dollar

NEW YORK — The dollar weakened against key currencies Tuesday, extending a decline that began with the Friday release of August unemployment statistics that indicated the U.S. economy was slowing and therefore reducing the chances that interest rates would rise.

London Dollar Rates

Table with 3 columns: Currencies, Buy, Sell. Includes Deutsche mark, Swiss franc, French franc, Japanese yen.

The dollar continued trading at lower levels during the week. "The sentiment is decidedly bearish right now following the jobs report," one dealer said.

before the presidential election on Nov. 8. The dollar fell earlier in Europe because of the dimmer prospects of interest rate increases in the United States, dealers said.

Mark Gains On Lira, Franc

MILAN — The Bank of Italy sold Deutsche marks at the fix here Tuesday as the West German currency rose to near its record high against the lira, dealers said.

Japan Moves to Open Government-Bond Market

TOKYO — Japan announced far-reaching steps Tuesday to open its government-bond market to foreign firms, moves that were hailed by officials at the U.S. Treasury and Federal Reserve System.

market," said David C. Mulford, the U.S. assistant Treasury secretary. "When viewed against the backdrop of prior actions," said E. Gerald Corrigan, president of the Federal Reserve Bank of New York.

Prices, coupon interest rates and issue volume on the bonds are now set through negotiations between the ministry and syndicate, and 20 percent of underwriting share is auctioned before terms are agreed, to a maximum of 1 percent of issue volume per member.

BONN: West Germany Posts Strong Rise in GNP Growth for the First Half

(Continued from Page 1) fairness to Mr. Bérégovoy, he hadn't seen the figures. "But, Mr. Pietsch added, 'this criticism from France keeps continuing, regardless of whether the socialists or conservatives are in power.'"

West German domestic demand expanded at a faster rate than GNP in the first half, growing by 4.6 percent over the year earlier. Meanwhile, exports were a negative factor in economic growth during the first half, although they grew in the second quarter from the first.

Bundesbank is trying to push the argument that the mark should be revalued in the EMS, which would leave German monetary policy as it is.

The current strength of the dollar against the mark is also keeping West Germany's trade surplus at near-record levels, Mr. Pietsch said.

Stoltenberg Warns of More Intervention

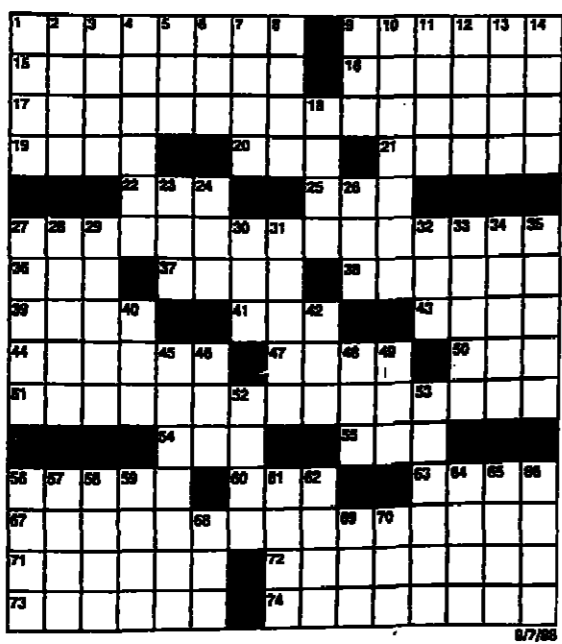
BONN — Gerhard Stoltenberg, the West German finance minister, said Tuesday that European and U.S. central banks would continue to intervene on the currency market against the dollar when necessary.

Mr. Stoltenberg said Tuesday, "They will also do this in the future if necessary, although we know that intervention alone does not help."

Bank of Japan Signals Rise in 1-Month Rates

TOKYO — The Bank of Japan allowed foreign banks Tuesday to sell one-month commercial bills at 1/16 point over current interbank rates, money traders said.

Main financial data table with multiple columns for various stock indices and prices. Includes NASDAQ OTC Prices, 12 Month High/Low, Div. Yld. PE, and various stock symbols like AAW, ADC, AIG, etc.



**ACROSS**  
 1 Dogged  
 9 Analyzed grammatically  
 15 Suggests an additional meaning  
 16 One-called animal  
 17 He may have a lot to think about  
 19 Wimbledon calls  
 20 Favorite  
 21 Actor in "Notorious"  
 22 Grounded bird  
 25 A descendant of Benjamin  
 27 Sort of sorter  
 36 Adherent  
 37 Seafood  
 38 Native quarter of Algiers  
 39 Fiber  
 41 Inlet  
 43 Duration of office  
 44 Organism needing air to exist  
 47 U.S.S.R. mountain range  
 50 Ankara  
 51 Periodical periodical contributor  
 54 "Exodus" hero  
 55 Gangster's getaway  
 56 Resource

**DOWN**  
 1 Eye: Comb. form  
 2 Incident physician:  
 1858-1937  
 3 Device for collecting plankton  
 4 Literature  
 5 Nobelist: 1928  
 6 Bird in a fable  
 7 words  
 8 U. of Md. athlete  
 9 To live, to live  
 10 Bosom buddy  
 11 Inlet  
 12 Beautiful  
 13 Club charter  
 14 Truck's vehicle  
 15 Israeli statesman  
 16 Rather and McGrew  
 18 Suffix with boom  
 23 Kind of cap  
 24 Sci-fi story  
 26 Fun in  
 27 Rice dish  
 28 Willow  
 29 Gape

**ACROSS**  
 30 Balsam, e.g.  
 31 Sacro attachment  
 32 D-day craft  
 33 Werner Republic's first president  
 34 Street show  
 35 Official language of Cambodia  
 40 Future fish  
 42 Pub potato  
 45 Babble  
 46 Corn unit  
 48 Boring tool  
 49 Novelist Levin  
 53 Dog bites  
 54 Daughter of Cymbeline  
 55 Summit  
 57 Big "bang" in bridge  
 58 European apple  
 59 Major follower  
 60 King Headdress  
 61 Condemn in Calabria  
 62 Boleyn or Barcroft  
 65 Min. components  
 66 Very, in Vichy  
 68 U.S.N.A. grad  
 69 "Sweet" of song  
 70 King!

**ACROSS**  
 60 Energy  
 61 Kin  
 62 Fabric-ator?  
 71 Vegetable fur  
 72 Wealth  
 73 Hot coals  
 74 Timidity

**DOWN**  
 40 Future fish  
 42 Pub potato  
 45 Babble  
 46 Corn unit  
 48 Boring tool  
 49 Novelist Levin  
 53 Dog bites  
 54 Daughter of Cymbeline  
 55 Summit  
 57 Big "bang" in bridge  
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 66 Very, in Vichy  
 68 U.S.N.A. grad  
 69 "Sweet" of song  
 70 King!

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PEANUTS



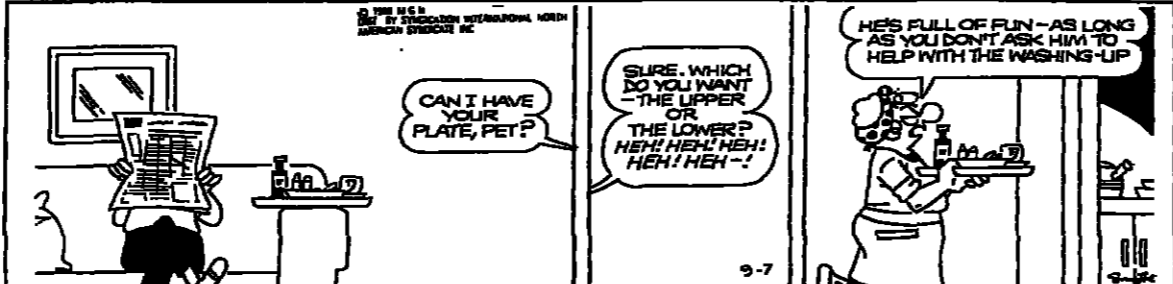
BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Word puzzle section 'JUMBLE' with clues and a grid.

WEATHER

Weather forecast table with columns for Europe, Middle East, Oceania, and various cities.

World Stock Markets table with columns for Amsterdam, London, Frankfurt, etc.

BOOKS

STORY OF MY LIFE By Jay McInerney, 188 pages, \$16.95.

ARE men running out of things to say? Or are they finally getting in touch with the side of the brain where sensitivity and mascara are housed?

witty and prematurely wise as Alison could fall to see herself within any sort of cultural context...

BEST SELLERS

- List of best-selling books including 'THE CARDINAL OF THE KREMLIN', 'ALASKA', 'THE BONDIFRE OF THE VANTILES'.

BRIDGE

By Alan Truscott ONE of the best defensive plays of the American Contract Bridge League's Summer Nationals...

SCOREBO

Scoreboard table with columns for various sports and teams.

Market Closed section with text and a table of stock indices.

The Global Newspaper advertisement with a globe illustration.

SPORTS

Bosox Stand Alone Atop Tight AL East

BALTIMORE — It was a night of firsts for the Boston Red Sox: the first time in a long time they had won two straight on the road, and more importantly, the first time they had held undisputed possession of first place in the American League East Division in two years.

The Red Sox finally got over the hump Monday night with a 4-1 victory over the Baltimore Orioles while the Detroit Tigers were losing, 5-4 in 10 innings, to the Toronto Blue Jays. That gave the Red Sox a one-game lead over the Tigers in a division race that also saw the Milwaukee Brewers and New York Yankees win to remain virtually tied for third, four games out.

"Now we don't have to score-board watch as much," Marty Barrett said as his team stood alone in first place for the first time since 1986, when it won the AL pennant. "If we keep winning, teams can't creep up on us. We've got half our games against Cleveland and Baltimore. We need to play well against them and break even against New York and Toronto."

Dwight Evans drove in three runs, with a home run, and Larry Parrish homered for the fourth time in five games as the Red Sox won back-to-back games on the road for the first time since June 21. They are now 31-8 away from Fenway Park this season.

SCOREBOARD

FOOTBALL

NFL Standings

Table with columns for American Conference (East, Central, West) and National Conference (East, Central, West), listing teams like Buffalo, New England, Indianapolis, etc., with their records.

CFL Standings

Table with columns for Eastern Division and Western Division, listing teams like Toronto, Hamilton, Winnipeg, etc., with their records.

College Top 20s

Table listing top 20 college football teams and their records, including Miami, Penn State, Nebraska, etc.

BASEBALL ROUNDUP

league-leading 21st game when John Moses's RBI single ended a scoreless tie with Seattle in the eighth. Viola yielded five hits in 8 2/3 innings, striking out eight.

Angels 4, Royals 2: In Kansas City, Missouri, right fielder Bo Jackson dropped Chad Davis's fly ball with two out in the eighth, allowing Wally Joyner, who had doubled in the tying run, to score California's winning run.

Astros 3, Reds 0: In the National League, in Houston, Bob Forsch pitched a five-hit shutout for eight innings and doubled in all three runs in helping end Cincinnati's five-game winning streak.

Phillies 3-4, Cubs 14-3: In Chicago, Phil Bradley's two-run homer and Ricky Jordan's two-run triple in the seventh gave Philadelphia its victory in the nightcap. In the first game, Mark Grace drove in two runs during an eight-run rally for the Cubs.

Padres 7, Giants 4: In San Francisco, Eric Show pitched a six-hit and Keith Moreland homered and scored twice as San Diego extended its winning streak to four games and San Francisco's losing streak to four games. The Giants, who were in second place in the NL West on Aug. 25, are just one game ahead of the fifth-place Padres.

BASEBALL

Monday's Major League Line Scores

Table listing major league line scores for various teams like Seattle, Boston, Philadelphia, etc., with their opponents and scores.

Major League Standings

Table listing major league standings for American League (East, Central, West) and National League (East, Central, West).

TRANSITION

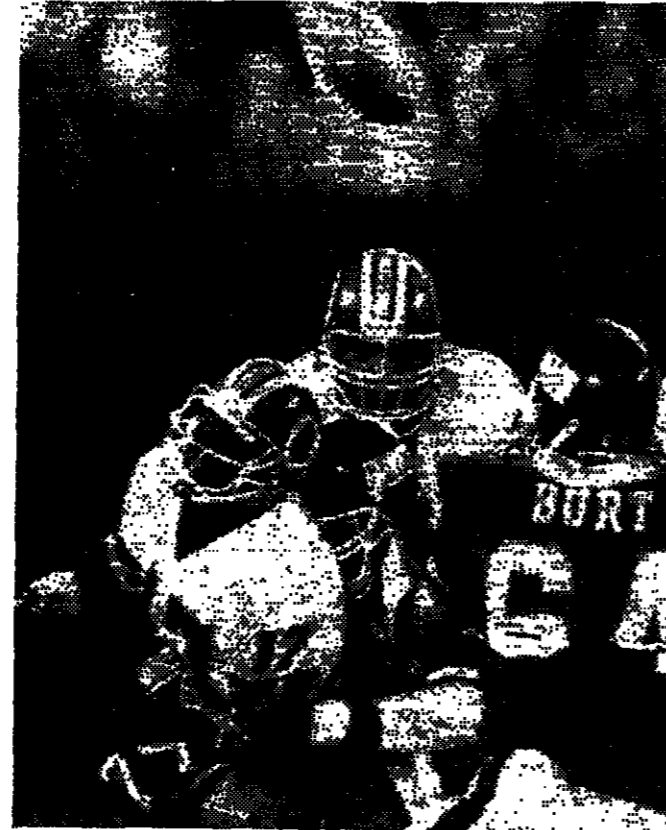
BASEBALL American League CLEVELAND—Called up Reggie Williams, outfielder, from Williamsport, Eastern League, and Mike Wolter, pitcher, from Colorado Springs, American Association. Released: MIAMI—Activated Gory Goetz, relief pitcher, from 15-day disabled list.

TRANSITION

NATIONAL LEAGUE SAN FRANCISCO—Called Trevor Wilson, pitcher, from Phoenix, Pacific Coast League, outright contract of Ron Davis, pitcher, from Phoenix. Released: SAN ANTONIO—Signed Willie Anderson, guard, to four-year contract.

SOCCER

ATLANTA—Activated Rick Bryson, defender, and Rick Donnelly, punter. Put Tim Green, Rebecko, and James Milne, wide receiver, on injured reserve. Released: LITTLE ROCK—Activated Gory Goetz, relief pitcher, from 15-day disabled list.



Doug Williams, hit from behind, fumbled into the hands of nose tackle Jim Burt, whose 39-yard waddle made it 27-13 Giants.

Giants Defeat Redskins On 2 Plays by Defense

EAST RUTHERFORD, N.J. — Reserve safety Tom Flynn ran a blocked punt 27 yards for one touchdown and nose tackle Jim Burt ran a fumble 39 yards for another 2:13 of the fourth quarter Monday night as the New York Giants rallied from a 13-0 deficit to beat the Washington Redskins, 27-20.

Despite an offense held to five yards in the first quarter and minus-7 for the half, and a defense missing the suspended Lawrence Taylor and the injured Leonard Marshall, the 1986 Super Bowl winners beat last year's National Football League champions with two offset plays.

The first came with the score 13-13 and Steve Cox punting. Center Mike Scully's snap was low and Rocky Scalloni blocked the kick. Flynn picked up the ball and raced in for his third blocked-punt touchdown in three seasons.

SIDELINES

Tyson: More Tests

NEW YORK (NYT) — Heavyweight champion Mike Tyson remained in stable condition and was scheduled to have further tests Tuesday at Columbia-Presbyterian Medical Center after Sunday's automobile accident in Catskill, New York.

Merganser Wins

RUIDOSO DOWNS, New Mexico (AP) — Merganser, bought for \$9,000 a year ago by Oklahoma horseman Jerry Wells and Ronald Stutz, returned \$1 million Monday when he won the All American Futurity at Ruidoso Downs.

For the Record

Emmons Coghlan, 35, the world record holder, was added Monday night to Ireland's Olympic team and will run in the 5,000-meter competition in Seoul. (AP) Ben Johnson of Canada, the 100-meter world record holder, has agreed to run Oct. 8 in Tokyo, but a proposed match race with Carl Lewis of the United States remained uncertain. (AP) Ivan Lendl, the world's top-ranked tennis player, will be unable to play for the U.S. Olympic team next month because Czech officials have refused to grant waivers allowing him immediate U.S. citizenship, according to U.S. lawmakers. (AP) Daniela Costin of Romania, a top-ranked discus thrower, has been granted asylum in Turkey and is seeking to emigrate to Australia, officials said in Sydney. (AP) The Seoul Olympic Committee said Tuesday that 8,681 athletes from 144 nations had submitted final entry forms to compete in the 1988 Summer Games. (AP) Quotable Art Aragon, former boxer, on his record: "It was 27-0 — 27 arrests and no convictions." (LAT)

Lendl Moves Into Quarterfinals

Connors Breezes In Straight Sets

NEW YORK — Ivan Lendl of Czechoslovakia, the No. 1 seed, beat Jakob Hlasek of Switzerland on Tuesday to move into the quarterfinals of the U.S. Open. Lendl won in four sets, 6-4 5-7 6-2 6-4. Earlier, Jimmy Connors, a five-time champion, enjoyed his biggest



Stefan Edberg of Sweden, the U.S. Open's No. 3 seed, sat slumped in his chair after the 5-7, 7-6 (7-4), 7-6 (7-2), 4-6, 7-5 loss to Aaron Krickstein, while the U.S. player had cause to celebrate at the end of the 3-hour, 52-minute quarterfinal.



Stefan Edberg of Sweden, the U.S. Open's No. 3 seed, sat slumped in his chair after the 5-7, 7-6 (7-4), 7-6 (7-2), 4-6, 7-5 loss to Aaron Krickstein, while the U.S. player had cause to celebrate at the end of the 3-hour, 52-minute quarterfinal.

U.S. OPEN TENNIS

runaway at the Open in seven years to cruise into the quarterfinals. Also among the winners Tuesday were Derrick Rostagno of the United States, who beat Ronald Agenor of Haiti, 6-2 3-6 6-1 6-3.

Connors crushed Jorge Lozano of Mexico 6-1, 6-2, 6-0 in 85 minutes to reach the round of eight for the 15th time in 16 years. The No. 6 seed had lost only one set in four matches, and the three games he yielded to Lozano were the fewest he has allowed since beating John Lloyd 6-0, 6-0, 6-2, in 1981.

Lozano ranked 68th in the world, won only 13 points in the first set and 14 in the third. "I thought I hit the ball as clean as I could hit it today," Connors said. "Not only did I hit the ball clean, I moved well and it was a case of going out there and being sharp enough."

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Edberg had reached the Open semifinals the past two years, while Krickstein's previous best showings were fourth-round finishes in 1983 and 1986. In other third-round matches Monday night, ninth-seeded Tim

to be the best player in the world because that is all there was. "There was no money back then. You played because you loved the sport and you had a goal to be the best in the U.S. or the best in Canada, or the best in the world."

Edberg had reached the Open semifinals the past two years, while Krickstein's previous best showings were fourth-round finishes in 1983 and 1986. In other third-round matches Monday night, ninth-seeded Tim

Mayotte lost to fellow American Derrick Rostagno, 6-3, 6-4, 6-2. And Ronald Agenor of Haiti beat Jason Stoltenberg of Australia, 6-3, 2-6, 6-4, 4-6, 6-3. Chang, 16, became the youngest man to reach the fourth round since Krickstein in 1983 by defeating fellow American Tim Wilkison, 4-6, 3-6, 6-3, 6-4, 7-5.

In the evening's women's draw, Chris Evert advanced by beating Judith Wiesner of Austria, 6-2, 6-4, and Manuela Maleeva of Bulgaria beat Barbara Potter of the United States, 6-3, 6-2. Chang had never won a five-set match before doing it twice here, having upset No. 13 Jonas Svensson in the second round. Of Tuesday night's match against Agass, Chang said, "He's 18, I'm 16. It's at the U.S. Open, the round of 16, it's a night match — I predict everyone is going to come watch. It's going to be fun." (AP/UP)

Hughes Column on Thursday

Rob Hughes's soccer column, which usually appears in Wednesday's International Herald Tribune, will be in Thursday's paper this week.

SATIRE IN WORDS AND PICTURES

DOONESBURY DAILY IN THE HIT

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Patricia Wells, the International Herald Tribune's award-winning restaurant critic, revisited each of the more than 300 restaurants, bistros, patisseries, salons de the and cafes, for this second edition of her popular guide. In her search, she discovered 100 exciting new places that have made it into this entertaining and useful book.



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Order form for 'The Food Lover's Guide to Paris' with fields for name, address, phone, and payment options.

OBSERVER

No More Mister Wimp

By Russell Baker
NEW YORK — The Dukakis people must have thought they'd won the election...

They probably thought this would have all America rolling on the floor in laughter...

Sure, reason argued that the country would never elect a president whose idea of statesmanship was personified in Quayle...

What did the Dukakis camp expect Bush to do after getting himself by putting poor Quayle on the ticket?

With backhanded shurs on Dukakis' patriotism, McCarty-esque attempts to set off the old Red-baiter alarm that hangs on the ceiling of the American skull...

Why, it was outrageous! Absolutely outrageous! This monstrous thing was engaged in a feeding frenzy?

The irony is that the Quayle choice was a huge stroke of luck for Bush, at least in the short run...

Republican Convention, for example, it was like a draft of blood for Count Dracula.
A convention disappearing in terminal boredom was thrust dramatically back into public view by the Quayle decision...

For days after the convention, the Bush-Quayle story dominated the news while Dukakis disappeared from sight...

Bush's mistake made him vulnerable to that school of Republican philosophers who believe you have to exploit "the negatives" to win elections...

The purpose of "exploiting the negatives" is to get everybody bloody-minded, purple in the face and fighting mad...

In terrible trouble because the Quayle business had made him look like a man who made quixotic judgments about the gravest matters...

As Dukakis disappeared and Bush ascended in the polls, he showed the Dukakis crowd how to do these things right...

What silliness it was to put the shiv into the beast exalting him. Yet the public likes silliness in these things...

A 'Thin Line' of Truth In Errol Morris's Film

By Martha Sherrill Dailey
Washington Post Service

WASHINGTON — Errol Morris had driven for a couple of hours along back roads in eastern Texas to find the honky-tonk bar...

That was the first time Errol Morris laid eyes on Harris, a sweet-faced kid who at 25 looked 18. He didn't look like a killer...

Maybe that is what a lot of guys on death row say, but there were a few things about this murder that did not add up...

"He started talking about his older brother, the brother who had been killed by drowning," Morris says of that first night with Harris...

And Morris answered, "Well, you know, Randall Adams is upset about a number of things, David. There are a number of things about this case that make him extremely unhappy."

Obsessed with the case, Morris spent three years researching it. He talked to 200 people about the killing of Robert Wood, a Dallas police officer...



David Harris, left, and Randall Adams, center, are the subjects in "The Thin Blue Line," by filmmaker Errol Morris, right.



Errol Morris



John R. Van Dyke for The Washington Post

PEOPLE

Two Collections to Hold Eastwood Memorabilia

"Maybe I'm a little too young for all this," the 58-year-old Clint Eastwood said about the plans for the Cinema Collection in his name at the Museum of Modern Art...

A second group has filed a complaint in Venice to block the opening of "The Last Temptation of Christ" at the film festival...

Prince Charles and his wife, Diana, canceled an appearance at the Sept. 15 premiere of a controversial film about a daring British train robber after their star, singer Phil Collins, advised them not to go...

Mamas, don't let your babies grow up to be restless, says Willie Nelson...

Willie Nelson, who blames his wretched nature for running three marriages, says his autobiography, "Willie," is his next memoir from Simon and Schuster...

Vertical advertisement for 'Looking for Rainbows' and other items.

TODAY'S INTERNATIONAL BUSINESS MESSAGE CENTER. Appears on page 3.

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Vertical advertisement for 'Kiosk', 'Reagan Wants Middle East Talks', and other news snippets.